

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$84,394		\$115,216	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$84,394		\$115,216	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 588 amends Nebraska Revised Statutes regarding the veterans preference for hiring for employment with the state of Nebraska and its political subdivisions.

The bill would name the act the Veterans Preference Act.

Section 23-2529 is amended to state that veterans preference shall be given in accordance with the Veterans Preference Act. Current language requires that veterans must request the preference on their applications, provide a copy of their discharge papers, and for disability credit provide proof of at least ten percent disability; that language is stricken.

The bill amends Section 48-225 to add “disabled veteran” and “spouse of veteran with 100% disability” to the definition of “veteran.” This section is also amended to provide a definition of “competent” and “key employee.”

Section 48-226 is changed to state that a veteran is to be given preference for initial employment with the state or its governmental subdivisions, if the veteran is competent to perform the services. The new language also provides that a veteran not hired is to be notified within thirty days that they have not been hired and be advised of any administrative appeal available.

A veterans preference is not available for a) key employees; b) positions held by a patient, inmate, or student enrolled at a state institution; c) or for temporary or casual positions.

The bill amends Section 48-227 to strike language that currently provides veterans who obtain passing scores on all parts or phases of an examination to have five percent added to their score and an additional five percent if they are a disabled veteran.

The bill adds language to this section to provide that employment notices are to include language regarding the veterans preference and how a veteran may take advantage of the preference.

Section 48-229 is amended to strike the current percentage of veterans preference allowed with the result being no stated percentage of veterans preference is provided in statute, only that there is a veterans preference.

Section 48-231 is amended to provide that a veteran, who alleges that the veterans preference has not been provided as required by the Act, may bring an action in district court after exhausting any available administrative remedies.

The bill has an operative date of January 1, 2014.

The bill uses “state or its governmental subdivisions” to specify the entities to which the Act will apply. This means the Veterans Preference Act will apply to state agencies (including higher education), school districts, counties, cities, villages, essentially any entity considered a political subdivision of the state of Nebraska.

The Department of Administrative Services indicates that State Personnel will need to add information to the state’s job website and modify the on-line application. In addition, Central Services HR will need to revise human resources policy. These costs can be absorbed by the agency.

We agree with the Department of Administrative Services estimate of fiscal impact.

The Department of Labor has indicated that because of the wide applicability of the proposed Act to the state and all its political subdivisions, that investigations regarding complaints under the Act will be much more labor intensive and will require the Department to gather information regarding the qualifications of the veteran and their status, as well as the status of a veteran's spouse. In addition, finding whether or not an interviewer made a "good faith" determination of a veteran's qualification based on each position that was applied for, will require the Department to spend substantially more time on each investigation. Currently, similar investigations often take many months to complete due to lack of cooperation as well as lack of documentation.

Labor also indicates that ensuring compliance with the notification provisions of LB 588 will be time consuming. Ensuring that all notices for all open state and political subdivision positions are reviewed for compliance with the Act, as well as review of all applications for such positions will be a full-time job initially.

The Department of Labor estimates expenditures of \$112,525 for FY2013-14 and \$115,216 for FY2014-15. This cost is for 2.0 FTE, which includes a Labor Law Specialist and a Staff Assistant. PSL is \$66,737 and \$68,405 for the respective fiscal years.

We disagree with the Department of Labor's estimate of cost for FY2013-14. Because the bill has an operative date of January 1, 2014 we do not believe the two staff positions will be required at the beginning of the fiscal year although we do believe the staff positions will need to be in place prior to the operative date of the bill. Therefore we estimate the fiscal impact for FY2013-14 to be \$84,394 with PSL of \$50,053. We agree with the Department's estimate of cost for FY2014-15.

IMPACT TO POLITICAL SUBDIVISIONS:

We are unable to determine a specific fiscal impact but assume, given the broad applicability of the Act, that there will be some cost incurred by at least some political subdivisions dependent on their current employment provisions and requirements and the need for modifying those procedures.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 588	AM:	AGENCY/POLT. SUB: Administrative Svs
REVIEWED BY: Elton Larson	DATE: 2/1/13	PHONE: 471-4173
COMMENTS: Concur.		

Please complete ALL (5) blanks in the first three lines.

2013

LB⁽¹⁾ 588 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Labor

Prepared by: (3) Debbie Kay Ward Date Prepared: (4) 2/27/2013 Phone: (5) 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$112,525		\$115,216	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$112,525		\$115,216	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate: There are approximately 650 separate State, County and City governments, plus another 75+ villages in Nebraska, each with their own departments and divisions. Each entity may have a common application. However, each department/division will likely already have a hiring process and procedure that would need to be reviewed. Investigations under this statute will be more labor intensive as they will require us to gather information regarding the qualifications of the veteran and their status, as well as determining the status of a spouse that potentially qualifies for protection under the law. Finding whether or not the interviewer made a "Good Faith" determination of an individual's qualifications based on each position that was applied for, will require us to spend substantially more time on each investigation. An investigation would include reviewing and researching the actual requirements of the position, review of all of the hiring documents, applications, interviewers notes, collecting information, researching and reviewing proof of qualifications (education, training, licenses, training, etc.) of the veteran or spouse, interviewing all parties involved, reviewing employment history and determining previous preference claims in hiring. Currently, similar investigations often take many months to complete due to the lack of cooperation of some governmental agencies and their legal representation as well as a lack of documentation.

Ensuring that veterans received the appropriate notification that they are not hired will also be time consuming. Making sure that notices for all open State and Local government positions are reviewed for compliance with the statute, as well as review of all applications for such positions will be a full-time job initially.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Labor Law Specialist	1.0	1.0	\$38,566	\$39,530
Staff Assistant	1.0	1.0	\$28,171	\$28,875
Benefits.....			\$32,275	\$34,740
Operating.....			\$9,913	\$10,071
Travel.....			\$2,000	\$2,000
Capital outlay.....			\$1,600	
Indirect costs.....				
Capital improvements.....				
TOTAL.....			\$112,525	\$115,216

2013 Legislative Bill Proposal Fiscal Note

Bill #: LB 588

State Agency: AS – State Personnel, Employee Relations and Central Services - HR

Prepared by: Jeannie O’Meara

Date Prepared: 1-28-13

Phone: 402-471-8292

Estimate of Fiscal Impact – State Agencies

	FY 2013-14		FY 2014-15	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate: LB 588 amends sections of statute to change veteran’s employment preference provisions. If this bill is enacted, it would be necessary for State Personnel to add information on the State’s job website and modify the on-line application regarding veteran’s preference.

Since these changes to the website and on-line application are done in-house by State Personnel, there would be no fiscal impact.

Central Services HR will have to revise HR policy to confirm with the new statute requirement. These costs can be absorbed. The bill does create a potential for a new source of litigation, and therefore potential costs. Administrative Services is unable to determine how many future incidents of this type will occur, therefore the actual fiscal impact is unknown.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			FY 2013-14	FY 2014-15
	13-14	14-15		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL					